

Ensign Peak Services
Financial Statements
As of December 31, 2006

ACCOUNTANTS' REPORT

To the Board of Directors:

Ensign Peak Services, Inc.

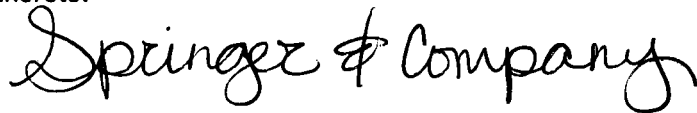
West Valley City, Utah

We have reviewed the accompanying statements of financial position of Ensign Peak Services, Inc. (a non-profit organization) as of December 31, 2006 and 2005, and the related statements of revenues and expenses, changes in fund balances, activities and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Ensign Peak Services, Inc.

A review consists principally of inquiries of the management and other organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying Statement of Functional Expenses is presented only for supplementary analysis purpose. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.



Springer & Company, CPA's

Sandy, Utah

June 22, 2007

ENSIGN PEAK SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2006

ASSETS

	<u>2006</u>	<u>2005</u>
Current Assets		
Cash and cash equivalents	\$ 4,747	\$ 6,148
Undeposited funds	4,217	-
Accounts receivable	<u>22,208</u>	<u>19,340</u>
	<u>31,173</u>	<u>25,488</u>
Fixed Assets		
Office furniture and equipment	12,706	12,706
Less: accumulated depreciation	<u>(9,729)</u>	<u>(7,903)</u>
	<u>2,978</u>	4,803
 TOTAL ASSETS	 <u>\$ 34,151</u>	 <u>\$30,291</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 4,236	\$ 12,138
Credit cards payable	<u>110</u>	<u>(658)</u>
	<u>4,346</u>	<u>11,480</u>
 Total liabilities	 4,346	 11,480
Net Assets		
Unrestricted net assets	<u>29,804</u>	<u>18,810</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 34,151</u>	 <u>\$ 30,291</u>

See accompanying notes and accountants' report.

ENSIGN PEAK SERVICES, INC.
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006

REVENUES	2006	2005
Support - Division of Child & Family Services	41,659	65,238
Support - Division of Juvenile Justice Services	100,904	59,387
Adoption Subsidy	6,379	
Mental Health Assessment	1,316	
Miscellaneous Income		976
Therapy - Various Agencies	64,644	47,676
Tracking	24,782	30,517
Charitable Contribution	500	700
Interest Income	48	19
Total Revenues	<u>240,233</u>	<u>204,513</u>
EXPENSES		
Accounting Services	1,079	1243
Advertising	1,404	1642
Automobile Expense	904	889
Bank Service Charges	4	-152
Computer Services	1,389	795
Client allowances	4,921	4274
Client Costs: Other		
Bus Pass	50	
Clothes/Gifts	212	250
Joyous Season	644	
School costs	53	
Other Client Costs	89	847
Consulting Services	450	
Contracted Services	599	201
Contributions Expense	162	35
Depreciation Expense	1,825	1854
Dues and Subscriptions	266	339
Employee Benefits	895	138
Gifts	183	
Group therapist fees	4,959	
Insurance	7,180	9512
Interest	290	40
Licenses and Permits	577	573
Meals and entertainment	262	67
Miscellaneous	30	87
Office		390
Payroll	31,731	22538
Payroll Taxes	2,467	1724
Postage and Delivery	264	220
Proctor reimbursements	52,376	48521
Rent	11,660	13210
Staff Training	248	473
Supplies	3,223	1892
Taxes	96	97
Telephone	3,303	4767
Therapist fees	40,260	32850
Tracking at home fees	24,030	
Tracking fees	23,121	48001
Training attendance	2,859	2075
Travel Expense	887	
Utilities	240	147
Total Expenses	<u>225,192</u>	<u>199,539</u>
Excess Revenue or (Expense)	<u>15,041</u>	<u>4,974</u>

See accompanying notes and accountants' report.

ENSIGN PEAK SERVICES, INC.
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Unrestricted</u>
BALANCE, December 31, 2004	<u>\$9,899</u>
Excess of expenses over revenues	<u>4,974</u>
BALANCE, December 31, 2005	14,873
Excess of expenses over revenues	<u>15,041</u>
BALANCE, December 31, 2006	<u><u>\$29,914</u></u>

See accompanying notes and accountants' report.

ENSIGN PEAK SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

UNRESTRICTED NET ASSETS	<u>2006</u>	<u>2005</u>
Unrestricted revenues		
Support-Division of Child & Family Services	41,659	65,238
Support-Division of Juvenile Justice Services	100,904	59,386
Adoption subsidy	6,379	
Mental Health Assessment	1,316	
Therapy - various agencies	64,644	47,676
Tracking	24,782	30,517
Interest Income	48	19
Total unrestricted revenues	<u>239,733</u>	<u>202,836</u>
Expenses		
Program services	193,049	172,849
Supporting services	32,143	25,713
Total expenses	<u>225,192</u>	<u>198,562</u>
Increase in unrestricted net assets from operations	14,541	4,274
Other Income		
Charitable Contribution - Unrestricted	<u>500</u>	<u>700</u>
Increase in unrestricted net assets	15,041	4,974
Net assets at beginning of year	14,873.18	<u>9,899</u>
Net assets at end of year	<u>29,914</u>	<u>14,873</u>

See accompanying notes and accountants' report.

ENSIGN PEAK SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
#REF!	\$ 15,041
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	1,825
(Increase) decrease in operating assets	
Accounts receivable	(2,868)
Increase (decrease) in operating liabilities	
Accounts payable	(7,902)
Credit cards payable	-658.04
Payroll liabilities	<u>(2,621)</u>
Net cash provided by operating activities	2,817
Net decrease in cash	2,817
CASH AT BEGINNING OF YEAR	<u>6,148</u>
CASH AT END OF YEAR	<u>\$ 8,964</u>
 SUPPLEMENTAL DISCLOSURES	
Interest paid	<u>\$ 290</u>

See accompanying notes and accountants' report.

ENSIGN PEAK SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2006 AND 2005

See Accountants' Report

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Non- Profit Status- Ensign Peak Services, Inc. (the Organization) was organized as a nonprofit corporation in accordance with the laws of the State of Utah. The Organization is tax exempt under Internal Revenue Code section 501 (c) 3.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be "cash and cash equivalents."

Revenue Recognition – Revenue is recorded in the period that it is earned.

Depreciation- All equipment is accounted for at cost and depreciated over its estimated useful life of 5 to 7 years using the straight- line method. Depreciation for the years ended December 31, 2006 and 2005 was \$1,825 and \$1,854 respectively.

Use of Estimates- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2- RELATED PARTY TRANSACTION

The Organization rents office space from Dianna G. Hussey, a trustee. The rent is month to month, and the amount of rent paid to Diana Hussey for the year ended December 31, 2006 was \$2,040.

NOTE 3- LEASE

The Organization leases commercial office space under a month to month lease. The monthly lease amount was \$750 until September of 2006, when it was raised to \$775 per month. This lease rate is expected to rise every September.

ENSIGN PEAK SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Supporting Services</u>	<u>Program Services</u>	<u>Total</u>
Cost of Services Provided			
Group therapist fees		\$4,959	\$4,959
Tracking fees		23,121	23,121
Proctor reimbursements		52,376	52,376
Therapist fees		40,260	40,260
Tracking at home fees		24,030	24,030
Client allowances		4,921	4,921
Training attendance		2,859	2,859
Other client costs:			0
Bus Pass		50	50
Clothes/Gifts		212	212
Joyous Season		644	644
School costs		53	53
Other		89	89
Total cost of services provided	-	153,575	153,575
Management and General			
Accounting Services	1,079		1,079
Advertising	760	644	1,404
Automobile Expense	18	887	904
Bank Service Charges	4		4
Computer Services	357	1,032	1,389
Consulting Services	450		450
Contracted Services	599		599
Contributions Expense	162		162
Depreciation Expense	1,825		1,825
Dues and Subscriptions	266		266
Employee Benefits	448	448	895
Gifts	183		183
Insurance	150	7,030	7,180
Interest	159	131	290
Licenses and Permits	577		577
Meals and entertainment	61	201	262
Miscellaneous	30		30
Payroll	15,865	15,865	31,731
Payroll Taxes	1,233	1,233	2,467
Postage and Delivery	264		264
Rent	2,915	8,745	11,660
Staff Training		248	248
Supplies	2,558	666	3,223
Taxes	96		96
Telephone	1,585	1,717	3,303
Travel Expense	500	387	887
Utilities		240	240
Total management and general	32,143	39,474	71,617
Total Functional Expenses	\$ 32,143	193,049	225,192

See accompanying notes and accountants' report.